



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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Governor

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Lowell P. Braxton  
Division Director

J.  
m/45/019

October 17, 2002

Sandra Harris, Branch Manger  
Wells Fargo Bank  
66 South Main  
Pleasant Grove, Utah 84062

Re: Reclamation Sureties, Certificates of Deposit \_\_\_\_\_ (Clifton Mining Company, Clifton Exploration / Kiewit Project, E/045/0/52) and \_\_\_\_\_ American Consolidated Mining Company, Yellow Hammer Project, M/045/019), Tooele County, Utah

Dear Ms. Harris:

We have previously been in communications with your predecessor, Ms. Lund, and with Mr. Wilkerson concerning this matter. Mr. Wilkerson suggested that we write you to request Wells Fargo Bank's assistance in transferring the funds held by the bank to the court. Wells Fargo is presently holding two Certificates of Deposit for the benefit of the State of Utah, Division of Oil, Gas and Mining \_\_\_\_\_ in the amount of \$17,600 for the Clifton/Kiewit project, and \_\_\_\_\_ the amount of \$10,500 for the Yellow Hammer project.

I assume you have been made aware that although the reclamation work for which the above certificates of deposit were being held has been completed, and all but \$9,100.00 of the money is to be returned to its rightful owner, there is a dispute concerning who is entitled to the funds. Since the money was initially deposited, there has been an involuntary change in ownership of the properties and there is now a dispute over the rights to the money placed in deposit with you as surety for the reclamation work.

In order to resolve this dispute, the Utah Division of Oil, Gas, and Mining (DOGM) has filed a legal action in the Third District Court, in Tooele County, as Civil No. 020301006. The action is filed against International Minerals and Metals, Inc. and American Consolidated Mining Co. as co-defendants, and is the type of action provided for by the Utah rules and referred to as an interpleader action. This type of action allows the Plaintiff, DOGM, to have the court determine who is entitled to the moneys held as surety for the reclamation work. The prayer asks that DOGM be directed to make payment to the clerk of the court of the amount of the surety as authorized to be released, that the defendants each plead their rights to the money, and

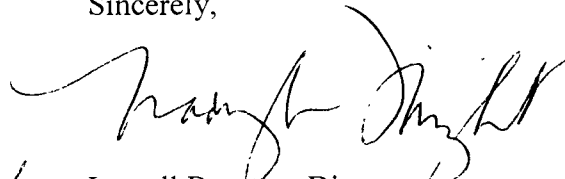
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that the court make a determination of the rights of the parties to the money held as surety for the reclamation work.

In lieu of preparing a formal motion and order of the court to require Wells Fargo to make this deposit, I am asking if Wells Fargo Bank would agree to proceed without a court order to deliver to the district court clerk in Tooele County, Utah a check for the amounts held by it as surety. DOGM previously authorized Wells Fargo to release the \$10,500 in its entirety and partially release funds from the \$17,600 to reduce the face value of this surety to no less than \$9,100 before the disagreement over rights to the money arose. DOGM has determined that \$9,100.00 needs to continue to be held as surety until the revegetation has been successfully established in accordance with the rules of the Division. Thus the amount to be paid to the Court is \$19,000 or such other sum of about this amount after allowing for interest and usual bank charges.

If you could accommodate the parties in this manner we could relieve Wells Fargo of further responsibility to determine our release of the funds and could allow the court to proceed to determine the rights of the defendants to the money. If you have any questions regarding any details or procedures for such a transfer, please feel free to call. If you will require a motion and order of the court please advise me and we will proceed to take the action to obtain the same.

Sincerely,

  
for Lowell Braxton, Director  
Division of Oil, Gas, and Mining

jb  
cc. Mary Ann Wright, OGM  
Steve Alder, AAG  
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